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Public Investment Fund and stc announce the launch of a secondary public offering of stc's shares

Riyadh, Saudi Arabia – 5 December 2021 – The Public Investment Fund (“**PIF**” or the “**Selling Shareholder**”) and Saudi Telecom Company (“**stc**” or the “**Company**”), Saudi Arabia’s leading ICT provider whose ordinary shares are listed on the Saudi Exchange, today announced the launch of a secondary public offering of ordinary shares of the Company (the “**Offering**”).

OFFERING HIGHLIGHTS

- The Offering comprises a fully marketed secondary public offering of 100,200,000 shares in stc, representing 5.01% of stc’s share capital (the “**Offer Shares**”).
- The price range has been set between SAR 100 to SAR 116 per share (the “**Offer Price Range**”). The final price of the Offering will be announced on 10 December 2021.
- In relation to the Offering, stc will be conducting a series of meetings with institutional investors starting from 6 December 2021 to 9 December 2021.
- The Selling Shareholder and stc will be restricted from the disposal and issuance of the Company’s shares, for twelve and six months, respectively, following the closing date of the Offering, which is expected to be on 14 December 2021.
- The Offering will be made to institutional and retail investors in the Kingdom of Saudi Arabia, to qualified foreign institutional investors in accordance with the Rules for Qualified Foreign Financial Institutions Investment in Listed Securities and to GCC investors (including companies and funds). Accordingly, the Offer Shares will be offered to qualified institutional buyers within the United States of America pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the “**US Securities Act**”) and to institutional investors outside the United States in compliance with Regulation S under the Securities Act.
- It should be noted that the number of shares to be allocated to retail investors is 10,020,000 representing 10% of the Offer Shares, subject to receiving sufficient demand from retail investors.
- The Company will not receive any proceeds from the sale of the Offer Shares and the Offering will not result in any dilution of the shares of the other shareholders of the Company.
- A prospectus dated 5 December 2021 in relation to the Offering will be published later today and will be available on <https://www.stc.com.sa/wps/wcm/connect/english/investor/secondary-public-offering> (the “**Prospectus**”).
- Goldman Sachs Saudi Arabia, HSBC Saudi Arabia, Morgan Stanley Saudi Arabia and SNB Capital are acting as Joint Financial Advisors for the Company and Joint Global Coordinators for the

Company and the Selling Shareholder and, together with Citigroup Saudi Arabia and Credit Suisse Saudi Arabia, as Joint Bookrunners for the Company and Selling Shareholder (the “**JBRs**”).

- SNB Capital is acting as the Lead Manager of the Offering. Al Rajhi Bank, Riyadh Bank and SNB are acting as the Receiving Banks for the Offering (the “**Receiving Banks**”).

SUBSCRIPTION AND SETTLEMENT

The subscription period commences today (5 December 2021), starting at 6:00PM (Riyadh time) and will continue until 5:00PM (Riyadh time) on Thursday (9 December 2021) for the institutional tranche (qualified institutional investors in the Kingdom of Saudi Arabia and various other jurisdictions in accordance with applicable securities laws, including Rule 144A under the US Securities Act for the qualified institutional buyers in the United States of America and Regulation S under the US Securities Act for the qualified institutional investors outside the United States of America). The subscription period for the retail tranche of the Offering (individual investors in the Kingdom of Saudi Arabia who have a bank account at one of the Receiving Banks and an investment account at a brokerage company affiliated with the same Receiving Bank which offers such services, subject to the terms and conditions in the Prospectus) commences at 11:59PM (Riyadh time) on Tuesday (7 December 2021) and will continue until 11:59PM (Riyadh time) on Wednesday (8 December 2021). Retail and institutional tranches will receive shares on Sunday (12 December 2021).

Retail investors will subscribe at the higher end of the Offer Price Range. Each retail investor who subscribes to the Offer Shares must subscribe through the electronic channels of one of the appointed Receiving Banks. Retail investors will be required to specify the number of Offer Shares they are willing to purchase at the top end of the Offer Price Range. Excess funds or the full amount will be refunded to retail investors (in cash only) no later than Tuesday (14 December 2021), if: (1) the final offer price is below the higher end of the Offer Price Range, and/or (2) they did not receive their full allocation, and/or (3) the final offer price is higher than the closing market price on Thursday (9 December 2021) (in which case no shares will be allocated to retail investors). The final offer price will be announced on Friday 10 December 2021.

Settlement for the institutional tranche will be executed through off-market Negotiated Trades in accordance with the Negotiated Trades Framework issued by the Saudi Exchange. The Offer Shares will be directly deposited to accounts of retail investors by Edaa.

Eng. Olayan M. Alwetaid, stc Group CEO commented: “Today’s announcement marks an important milestone for stc as a public company. We welcome the steps taken by PIF to increase stc’s free float, which will undoubtedly further improve the trading liquidity of our shares and make them more accessible for a broader range of investors as we continue to implement a wide range of initiatives to create shareholder value. We are confident that this will also help realize our vision to be the leading digital services provider in the region and lead the growth of a diverse and digital economy in the Kingdom of Saudi Arabia.”

“As a team, we are committed to working hard to implement our ambitious strategic goals and we are hopeful that the Company’s commitment to sharing the results of our successes with shareholders –

including through our dividend policy – combined with the increased liquidity following this Offering, will continue to attract new investors to our shares,” **he added.**

FOR FURTHER INFORMATION

Transaction microsite:

<https://www.stc.com.sa/wps/wcm/connect/english/investor/secondary-public-offering>

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COMPANY OVERVIEW

stc is a pioneering digital champion that offers a variety of ICT solutions and digital services in several categories, including telecommunication, IT, financial technology, digital media, cybersecurity, and other advanced digital solutions, leading the digital transformation nationally and regionally. The Company divides its business operations in the Kingdom of Saudi Arabia across three different business units: Consumer Business Unit, the Enterprise Business Unit and the Wholesale Business Unit. stc additionally provides mobile telecommunications services in Bahrain and Kuwait through its subsidiaries. The Company is also a strategic partner to the Government of the Kingdom of Saudi Arabia and a service provider of choice for delivering Vision 2030.

ABOUT THE PUBLIC INVESTMENT FUND

PIF is one of the largest and most impactful sovereign wealth funds in the world, enabling the creation of new sectors and opportunities that will shape the future global economy, while driving the economic transformation of Saudi Arabia. PIF has built a world-class, diversified portfolio through investments in attractive, long-term opportunities across sectors and asset classes at both the domestic and international level.

DISCLAIMER

This announcement is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction in which such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction, including, but not limited to, the United States (including its territories and possessions, any State of the United States and the District of Columbia), Canada, Australia or Japan.

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The information contained in this announcement is for background purposes only and does not purport to be full or complete, nor does it constitute or form part of any invitation or inducement to engage in any investment activity, nor does it constitute an offer or invitation to buy or subscribe for any securities in any jurisdiction, including the United States, or a recommendation in respect of buying, holding or selling any securities. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness. The contents of this announcement are not to be construed as legal, financial or tax advice. None of the Company, the Selling Shareholder or any of the JBRs or their respective affiliates undertake to provide the recipient of this announcement with any additional information, or to update this announcement or to correct any inaccuracies, and the distribution of this announcement shall not be deemed to be any form of commitment on the part of the Company, the Selling Shareholder or the JBRs to proceed with the Offering or any transaction or arrangement referred to therein. The information in this announcement is subject to change. This announcement has not been approved by any competent regulatory authority.

The shares which are the subject of the Offering (the “**Securities**”) have not been and will not be registered under the US Securities Act, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the US Securities Act. The Company does not intend to make any public offering of the Securities in the United States. The Securities have not been approved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of any proposed offering of the Securities. Any representation to the contrary is a criminal offence in the United States. In the United States, this announcement is directed only at persons who are qualified institutional buyers, as defined in Rule 144A of the US Securities Act.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy the Securities or any other security and shall not constitute an offer, solicitation or sale in the United States or in any jurisdiction in which, or to any persons to whom, such offering, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any jurisdiction.

UK MiFIR - retail investors, professional investors and ECPs target market – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients (all distribution channels) and also retail clients (all distribution channels).

In member states of the European Economic Area (the “**EEA**”), this announcement and any offer of the Securities referred to herein in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer of the Securities in a member state may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the Prospectus Regulation. The Company has not authorised and does not authorise the making of any offer of the Securities in circumstances in which an obligation arises for the Company to publish a prospectus for such offer. The expression “**Prospectus Regulation**” means Regulation (EU) 2017/1129 (as amended).

In the United Kingdom, this announcement and any offer of the Securities referred to herein in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation from the requirement to publish a prospectus for offers of the Securities. Accordingly, any person making or intending to make an offer of Securities in the United Kingdom may only do so in circumstances in which no obligation arises for the Company to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation. The Company has not authorised and does not authorise the making of any offer of the Securities in circumstances in which an obligation arises for the Company to publish a prospectus for such offer. The expression “**UK Prospectus Regulation**” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This announcement does not constitute an invitation or offer to underwrite, subscribe for or otherwise acquire or dispose of any securities nor is it intended to be an inducement to engage in investment activity for the purpose of Section 21 of the Financial Services and Markets Act 2000 of the United Kingdom, as amended (the “**FSMA**”).

This announcement has not been approved by the United Kingdom Financial Conduct Authority. This announcement is directed only at persons: (i) outside the United Kingdom; (ii) that have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”); (iii) falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Order; or (iv) to whom this announcement may otherwise be directed without contravention of Section 21 of the Financial Services and Markets Act 2000 (all such persons together being referred to as “**relevant persons**”). This announcement must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this announcement relates will only be available to relevant persons and will be engaged in only with relevant persons. The Securities are not being offered to the public in the United Kingdom.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore – In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (the “**SFA**”)

and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the “**MAS**”) Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This announcement is for information purposes only and under no circumstances shall constitute an offer or invitation, of form the basis for a decision, to invest in any securities of the Company.

This announcement is not an offer document for the purposes of the OSCO Rules and should not be construed as such. The CMA and the Exchange do not take any responsibility for the contents of this announcement, do not make any representations as to its accuracy or completeness, and expressly disclaim any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this announcement.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements” with respect to the Company’s financial position, results of operations and business and certain of the Company’s plans, intentions, expectations, assumptions, goals and beliefs. These statements include all matters that are not historical fact and generally, but not always, may be identified by the use of words such as “believes”, “expects”, “are expected to”, “anticipates”, “intends”, “estimates”, “should”, “will”, “shall”, “may”, “is likely to”, “plans” or similar expressions, including variations and the negatives thereof or comparable terminology. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s business, results of operations, financial position, liquidity, prospects, growth or strategies. Many factors could cause the actual results to differ materially from those contained in projections or forward-looking statements of the Company, including, among other things, risks specifically related to the Company and its operations, the development of global economic and industry conditions, and the impact of economic, political and social developments in Saudi Arabia. Forward-looking statements speak only as of the date they are made. Each of the Company, the Selling Shareholder, the JBRs and their respective affiliates expressly disclaims any obligation or undertaking to update, review or revise any forward-looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

There is no guarantee that the Offering will occur and you should not base your financial decisions on the Company’s intentions in relation to the Offering at this stage. This announcement does not constitute a recommendation concerning the Offering. Acquiring shares to which this announcement relates may expose an investor to a significant risk of losing the entire amount invested. Persons considering investment should consult an investment adviser or an authorised person specialising in advising on such investments as to the suitability of the Offering for the person concerned.

The JBRs are acting exclusively for the Company and the Selling Shareholder and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the

Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

The contents of this announcement have been prepared by and are the sole responsibility of the Company and the Selling Shareholder. None of the JBRs or any of their affiliates or their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from the announcement) or any other information relating to the Company, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith.